

CLOSED SESSION  
Monday, February 19, 2001

Present were Chair Marie H. Huffman, Vice-Chair W. Steve Ikerd, and Commissioners Katherine W. Barnes, Barbara G. Beatty, and Dan A. Hunsucker.

Also present were County Manager/Deputy Clerk J. Thomas Lundy, Assistant County Manager Steven D. Wyatt, County Attorney Robert O. Eades, Staff Attorney Debra Ness Bechtel, and County Clerk Thelda B. Rhoney.

At its meeting of Monday, February 19, 2001, at 9:05 p.m., upon a motion by Commissioner Hunsucker, and unanimously carried, the Board, in accordance with NCGS 143-318.11 (a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged; and (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations.

*NCGS 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations.*

- A. Economic Development Commission President Scott Millar was invited to attend closed session to introduce this item.

Mr. Millar said he addressed the Board in April 2000 for Siecor request for incentives for a Hickory facility. The project at that time was a \$30 million project and the response was to provide an amount equal to one-half of Hickory's investment plus an unnamed percentage to support the development of a TeleCom College. The amount was 35 percent for five years. Due to a number of reasons, including the sale of Siecor, the changing of their investment levels, Hickory's requirement for a road right-of-way, and others, the agreement remains unfulfilled. Corning's infusion promises much greater investment. They are willing to commit to \$175 million in investments and their current spreadsheet totals \$207 million or more. They are accustomed to significant incentives -- Cabarrus County has promised 85 percent for a five year term for Corning's recent announcement there. Hickory has recently committed to an open-ended, five year, 70 percent incentive for any investment over \$50 million, plus a promise of expenditure for paving a street into and through the site. Corning Cable Systems has requested a formal commitment from the County equal to one-half of the City's commitment. This amounts to a 35 percent commitment on the County's behalf for five years.

The board recommended Mr. Miller continue negotiations with Corning Cable Systems to encourage their investment of \$207 million looking at a 35 percent reimbursement amount not to exceed \$1.19 million.

Mr. Millar was then excused and he left the closed session.

- B. Newton waterline disagreement.

County Manager Tom Lundy reviewed with the Commissioners and Legal Counsel a letter he received late today from Ed Burchins, Newton City Manager regarding the Newton waterline disagreement. The Board requested Mr. Lundy send Mr. Burchins a letter of final offer to resolve the Newton waterline disagreement with the following recommendations:

1. The County would construct a 12-inch waterline down Emmanuel Church Road to Highway 10, then east on Highway 10 as far as Shiloh Road, south on Shiloh Road connecting to the County's existing

waterline. The line would be used to transport Hickory water. There would be no restrictions on the line, just as there are no restrictions on Newton's line, other than the fact that Newton would serve all customers on Highway 10 South and Hickory could serve customers on Highway 10 North.

2. The County would divert the Little Road project funds to the new line project. Newton would contribute the sum of \$350,000 toward the construction of the new lines and the County would be responsible for the additional estimated \$500,000 as well as the engineering costs for the new line.
3. Hickory water would flow from Emmanuel Church Road to the new waterline on Highway 10 to Shiloh Road and then south on Shiloh Road to connect to the existing County waterlines. The Newton and Hickory systems would be separated at a point which is about equal distance between Balls Creek and Buffalo Shoals roads at the creek. Newton would have a service area bounded along Highway 10 South, down Balls Creek Road, out West Bandys Crossroads to where the systems are separated, as well as east of Highway 16. As mentioned earlier, Hickory would be able to serve customers on the north side of Highway 10. Further, based on our discussion, if Newton and Maiden are able to reach agreement on a boundary for service west of Highway 16, the County will honor such a boundary agreement.
4. A valve and meter would not be required.
5. Newton would pay for the relocation and/or construction of a new pump station which would be required to serve the area. Any parts which could be salvaged from the existing pump station could be used towards the cost of the new pump system.
6. The County would have the right at its option to construct future line additions, extensions or connections from any of the lines served by Newton as long as the addition, extension or connection would serve County customers and not customers inside the city. The City would also retain the right for additions, extensions or connections from these lines as long as the County was notified. The same conditions in the 1996 contract (connection fees, annexation, O & M, 50/50 revenue split, etc.) would apply to any future line extensions paid for by the County.
7. If the above conditions are agreed to, the provisions of our 1996 agreement would control the area.
8. The City, along with Catawba County, Hickory and Conover, would all sign a letter to the State indicating their agreement with this proposal and all parties would drop all opposition. The staffs of all Utilities would develop an orderly transition plan.
9. The existing debt of Newton to Catawba County on the old Highway 10 waterline can be erased if Newton chooses to pay the County the remaining balance due, although I would remind you that Newton is repaying the cost on an interest-free basis.
10. Newton would not be reimbursed for meters which must be changed. Hickory will change the meters out and Newton can have the replaced meters.
11. If an agreement is reached, the County would commit to continuing its cooperative ventures with the City of Newton, including tax collection and technology services.

At 10:00 p.m. the Board returned to regular session and there being no further business adjourned.

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Marie H. Huffman, Chair

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Thelda B. Rhoney, County Clerk